

# Southport office park grows up

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 building, finished last year, was 90 percent rented by Kaiser Permanente, who was one Southport's original tenants 10 years ago.

Buildings 15 and 16, which are flex buildings still under construction, are almost entirely rented now by Magellan Laboratories, another early tenant which rented 4,000 square feet for seven employees in the fall of 1991 as it was starting its operations.

Magellan Laboratories now employs over 300 people, who perform tests for the pharmaceutical industry.

Workers from Diversified Contracting Inc. have finished upfitting the buildings with water pipes and air vents used in product testing. They were awarded the \$2.3 million contract for the construction of the 56,348 square foot laboratory facility (building 15). DCI hopes to complete the project in April 1999. Magellan will also keep its space in building 6 and about half of building 3.

Meanwhile, construction of the Windsor building, another top-of-the-line office building is beginning across Aviation Parkway. In front of the Magellan labs, a third "fancy" office building will be built across from the Kaiser building, giving a

nice look along Aviation Parkway, and making Aviation Parkway an interior street for Southport, Adams said.

About 2,500 employees work in Southport now, Adams said. Each building is about 50,000 square feet. By early Spring of 1999, there will be about 750,000 square feet of space owned by Southport and leased by 70 companies. When Phase IV is completed, there will be close to one million square feet.

Southport originally owned about 50 acres, and has since bought 20 acres for Phase II and 20 more acres for Phase III. Negotiations are going on now for land for about 20 more acres for Phase IV, which will bring the total project to about 110 acres.

Site and subdivision plans for Phase IV were tabled by the Morrisville Board of Commissioners on Jan. 24.

"We have been fortunate to be able to develop in nice bite-sized pieces each time," Adams said. But those bite size pieces are being developed faster and faster as growth in the area booms.

On paper, Southport is the largest flex and office-space project in Morrisville, but Adams admitted that Enterprise Center and Perimeter Park are counted as separate developments, though both are owned by Weeks-Lichtin. "We are really num-

ber two," he said.

He is building single-story office buildings because he is able to offer a lower rent than multi-story buildings such as those built by Weeks and by Highwoods in Weston, which is even closer to Southport, but located in Cary.

"The structure is cheaper; you don't have to put in elevators, and the land cost is still \$40,000 to \$70,000 an acre, which makes it affordable," he said.

Southport is owned by General Investment Development Co. of Boston, which also owns about 15,000 apartments and several million square feet of commercial space. Southport is the largest commercial development for GID.

Some of the other major tenants in Southport are EDS, a telemarketing company; IBM, doing business as TSS (Technical Support Services); Honeywell and the U.S. Customs Service.

Adams flew in from Texas for the original subdivision and site plan in 1988, so he has watched—and helped along—the development for over 10 years.

He is possessive of his tenants and property, offering last year to pay about \$50,000 to put in a traffic light, after Evans Road opened up and dumped Cary traffic trying to get to I-40 onto Aviation Parkway.



An artist's rendering of how a portion of the Southport Business Park will look when completed.

This was necessary not only to attract tenants, but to keep from losing the ones he has, he said.

There is still vacant land surrounding Southport, and Adams said his company will probably continue to buy land after Phase IV is underway, although he is not certain which direction the development will

take—farther back into the interior along the new McCrimmon Parkway, of which Southport has already committed to build the first 800 feet—or next to Phase IV along Aviation Parkway to the west.

But he said his company plans to continue to own and manage the buildings; he plans to continue to

look after his tenants, and to continue his involvement in the Morrisville community.

Adams was an original member of the Chamber of Commerce, and is now serving as Vice President of Morrisville's new Rotary Club.

# Magellan Labs expands operations at Southport

By Mary Beth Phillips  
 Staff Writer

It's a success story that anyone would wish to imitate.

In just eight years time, Magellan Laboratories has grown from seven employees to over 300, and increased its space in Southport Business Park roughly 30 times.

The company, which does contract laboratory testing for the pharmaceutical industry, attributes its success to the caliber of its scientists, and the large number of talented scientists in the Research Triangle area.

The founders, Drs. Lowry Caudill and Alfred Childers, had helped build the analytical chemistry department at Glaxo.

Both analytical chemists, they had met previously at graduate school at Indiana University. They went their separate ways. Childers to Upjohn in Michigan, and Caudill to Baxter in Chicago. They came to Glaxo about the same time 12 years ago and renewed their friendship.

*'Once we found we could recruit and retain very, very talented scientists, we were off and running. That really is our product.'*

—Dr. Lowry Caudill,  
 Co-founder of Magellan Labs

While working at Glaxo, they noticed the trend toward outsourcing pharmaceutical development research, and decided to start their own business in 1991 to provide those services.

"Although there were contract companies who could do research, no one had the level of expertise of a major pharmaceutical company in terms of talent, scientific approach, and pharmaceutical experience,"

Caudill relates. "We built Magellan to be that mirror image."

He said the two scientists were confident in their ability to build an organization, after building the lab at Glaxo. "The thing that was scary, even though you think you can do it, you don't know that yet. We had to step out on our own, just Al and myself at the very beginning."

"I remember cutting my lawn in front of my house, and looking at

the house wondering if I would have the house the next year at that time."

His fears were unfounded. Once he realized that he could recruit the caliber of staff he needed, his worries ended.

"We wondered, would they come to a small company? But we found a lot of talented scientists who wanted to work for an organization like us. Once we found we could recruit and retain very, very talented scientists, we were off and running. That really is our product," Caudill said.

Today Magellan Laboratories performs tests for some of the largest pharmaceutical companies in the United States, many of which were the original clients in the early days, when Childers and Caudill were in the lab doing testing themselves.

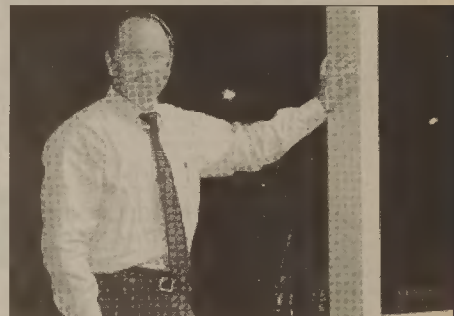
"When you are starting out, you will wear whatever hat you have to wear," Caudill said. "You're the H.R., the financial, administrative, and technical. I don't do much in the lab now, but I enjoyed it tremendously. As the company grew, I backed into technical managing."

Today Childers handles the financial and administrative and quality assurance end of things. Caudill handles the technical and operational matters.

About 75 percent of Magellan's staff are scientists. Of that, 50 percent are in the lab. Many of the support functions such as quality assurance, sales and marketing, also require that scientific knowhow.

David Slovensky, marketing coordinator for Magellan, said the company's success has been built on the combination of quality, communication and timeliness.

"A lot of drug manufacturers hesitate to use a contract lab because they feel they are going to lose control. We strive to keep the communi-



Mitch Adams, developer of Southport, is overseeing the building of Magellan's new labs at Southport.

physical characteristics are correct," Caudill said.

Magellan scientists can also help a company prepare a substance to go before the Federal Drug Administration for approval.

The company has increased its leased space in Southport business park as it has grown. "We could grow with them," Caudill said. "We get to focus on growing our company. We don't have to worry about being good managers of buildings. They've taken care of that for us."

Magellan's testing is done only on the products. There is no animal or human testing involved. The medical testing is left to contract companies like Quintiles or PPD Pharmaco or to drug companies themselves.

Magellan tests tablets, ointments and inhalation products. They also develop all the methods to do the testing, validate those methods and set up specifications for product expiration dates and dosage forms.

"Somebody has to test a product before it's released to show the drug is there at the right level, and the

physical characteristics are correct," Caudill said.

Magellan scientists can also help a company prepare a substance to go before the Federal Drug Administration for approval.

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Magellan has received the Triangle "Fast 50" award for the past four years, and the Triangle "Future 30 Award" in 1995 and 1997, the North Carolina "Technology 50" award in 1996 and 1997, and the National "Technology 500" award in 1997.

They were nominated for Inc. Magazine's "Inc 500" award. They received Ernst and Young's Entrepreneur of the Year award for North Carolina and South Carolina in 1998.

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Budgetel has been changed to Baymont Inns & Suites, the largest lodging chain re-branding and re-positioning in the industry without change in ownership.

The hotel, at Interstate 40 and Airport Boulevard, has been redesigned, with expanded amenities and services.

The chain has equipped every room nationwide with voice mail, an ironing board and iron, a 25-inch television with portable remote control and free satellite movies, extra-long beds, shampoo and hair dryers. Guests will also enjoy an in-room complimentary morning newspaper and in-room coffee service. Most Baymont Inns & Suites feature a free lobby breakfast, while others provide a free room-delivered breakfast.

Baymont Inns & Suites provides several security features including card-key locks, security viewpoints, well-lighted parking and common areas, and interior corridors. The company also sponsors a national travel safety program to promote safety while on the road.

The company, based in Milwaukee, Wisconsin, operates or franchises 160 Baymont Inns & Suites in 30 states, and five Woodfield Suites in Wisconsin, Colorado and Ohio; 398 movie screens in Wisconsin, Ohio, Illinois and Minnesota, and one family entertainment center in Wisconsin; three hotels and a resort in Wisconsin, a hotel and a resort in California, one hotel in Minnesota, and one resort in Michigan; and 30 KFC restaurants in Wisconsin.

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